

NOTICES OF SUMMARY RULEMAKING

The Administrative Procedure Act allows an agency to use the summary rulemaking procedure instead of the regular rulemaking procedure for repeals of rules made obsolete by repeal or supersession of an agency's statutory authority or the adoption, amendment, or repeal of rules that repeat verbatim existing statutory authority granted to the agency. An agency initiating summary rulemaking shall file the proposed summary rulemaking with the Governor's Regulatory Review Council and the Secretary of State's Office for publication in the *Register*. The proposed summary rule takes interim effect on the date of publication in the *Register*.

NOTICE OF PROPOSED SUMMARY RULEMAKING

TITLE 17. TRANSPORTATION

CHAPTER 1. DEPARTMENT OF TRANSPORTATION ADMINISTRATIVE SERVICES DIVISION

PREAMBLE

1. Sections Affected

R17-1-302
R17-1-307
R17-1-310
R17-1-311
R17-1-312
R17-1-313
R17-1-314
R17-1-315
R17-1-320
R17-1-321
R17-1-331
R17-1-332
R17-1-334
R17-1-335
R17-1-336
R17-1-337

Rulemaking Action

Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. § 28-363A.4; A.R.S. § 28-366.1; Laws 1921, Chapter 116, § 2, § 3, § 4, § 6; Arizona Revised Code of 1928, Article 6, § 1673, § 1673.c; § 1675.a, § 1677.a; Laws 1933, Chapter 100, § 15; Laws 1935, Chapter 20, § 1; Laws 1939, Chapter 16, § 1; Laws 1941, Chapter 108, § 3; Laws 1973, Chapter 146, § 9; Arizona Constitution, Article IX, § 14.

Implementing statutes: A.R.S. §§ 28-101, 28-5610, 28-5618, 28-5619, 28-5625, 28-5708, 28-5852, 28-5856, 28-5857

3. The date the summary rules will be published in the Register:

June 29, 2001

4. The name and address of agency personnel with whom persons may communicate regarding the rules:

Name: Kathleen Morley
Address: Arizona Department of Transportation
Financial Management Services
206 S. 17th Avenue MD200B
Phoenix, AZ 85007-3213
Telephone: (602) 712-7441
Fax: (602) 712-6672
E-mail: kmorley@dot.state.az.us

5. An explanation of the rule, including the agency's reason for initiating the rule:

Introductory Statement:

The rules addressed in this proposal are obsolete because either the supporting statute has been repealed, superseded by other statutes, or the reason for the rule is no longer valid. The need for these changes was identified by an Agency Five-Year Review. These changes will repeal rules that are no longer necessary.

The following is a listing of the rules that are to be repealed.

R17-1-302, "Defining one-way haul for purposes of A.R.S. § 28-1599.13". Provided an explanation to motor carriers of the circumstances that constituted a one-way haul.

R17-1-307, "Motor Vehicle Fuel Distributor Records". Delineated the records required to be maintained by a distributor for audit and reporting purposes.

R17-1-310, "Motor Vehicle Fuel Distributor Report Forms". Delineated the report forms required of distributors.

R17-1-311, "Motor Vehicle Fuel – Reports from Non-distributors". Informed the public of the forms and reporting requirements for bringing fuel into Arizona based on the imposition of the 1935 tax.

R17-1-312, "Motor Vehicle Fuel Tax on Miscellaneous Petroleum Products". Inform the public (in 1939) regarding the exemption of certain miscellaneous products used in gasoline blending.

R17-1-313, "Motor Vehicle Fuel Tax Application to Specialty Products". Informed the public that specialty products, the base of which was a motor vehicle fuel, were not taxable if they were not used in a motor vehicle.

R17-1-314, "Motor Vehicle Fuel – Form Numbering System". Informed the public of the change in the numbering system of the forms to be used to report to the Department of Transportation.

R17-1-315, "Motor Vehicle Fuel – Interstate Shipments". Informed the reader of the exempt status of motor vehicle fuel purchased in Arizona but distributed to a location out of the state, including documentation and reporting requirements.

R17-1-320, "Motor Vehicle Fuel – Tax Exempt to U.S. Military Forces". Delineated the documentation requirements for shipments of, and tax exemption of, fuel purchased by U.S. military forces.

R17-1-321, "Motor Vehicle Fuel – Relief Agencies". Clarified Federal Emergency Relief Grant status in relation to the taxation of fuel.

R17-1-331, "General Requirements; Invoice Preparation; Specific Invoice Information Required". Instructed the vendor on how to account for the collection of tax on use fuel sold at retail.

R17-1-332, "Vendor Self-consumption of Use Fuel in Use Class and Light Class Vehicles". Instructed the vendor of use fuel regarding the recordkeeping for consumption of fuel in their own vehicles.

R17-1-334, "Retention of Voided Invoices". Informed the vendor of the procedures for dealing with voided use fuel tax invoices.

R17-1-335, "Licensing". Informed motor carriers of licensing requirements and of the option to obtain permits.

R17-1-336, "Return and Payment of Tax". Informed motor carriers of the time-frames and requirements for filing use fuel tax and motor carrier tax reports.

R17-1-337, "Use Fuel and Motor Carrier Bonding Process". Delineated the procedure for determining the amount of a bond for use fuel and motor carrier tax payment.

6. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

7. The summary of the economic, small business, and consumer impact:

Due to the age of some of these rules and the myriad changes the law has gone through since the mid-1930s, many of these rules serve no purpose whatsoever except to perhaps confuse the novice reader. Some of the more recent rules can mislead the reader due to major changes, which occurred in 1997 regarding the collection of fuel and motor carrier taxes. As such, the repeal of these rules will aid the public and the agency by deleting incorrect and misleading information from the *Arizona Administrative Code*. This repeal should lessen the potential impact on administrative time to question the intent and validity of the rules both in terms of the time spent researching them and then contacting the agency to determine their validity.

Arizona Administrative Register
Notices of Summary Rulemaking

8. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Kathleen Morley
Address: Mail Drop 200B
Financial Management Services
Arizona Department of Transportation
206 S. 17th Avenue
Phoenix, AZ 85007-3213
Telephone: (602) 712-7441
Fax: (602) 712-6672
E-mail: kmorley@dot.state.az.us

9. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceedings is scheduled, where, when and how persons may request and oral proceeding on the proposed rule:

No oral proceeding is scheduled on the repeal of these rules.

Name: Kathleen Morley
Address: Mail Drop 200B
Financial Management Services
Arizona Department of Transportation
206 S. 17th Avenue
Phoenix, AZ 85007-3213
Telephone: (602) 712-7441
Fax: (602) 712-6672
E-mail: kmorley@dot.state.az.us

10. Justification of summary rulemaking:

The summary rulemaking process is justified because each rule is proposed for repeal due to outdated and incorrect information in the rules based solely on statutory changes, which have occurred over many years. This approach is also justified by the service such actions render to the Arizona public because these repeals reduce redundancies and eliminate rules that no longer have value and serve only as potential points of confusion for those interested and/or whose businesses and lives are governed under the respective statutory authorities.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules.

Not applicable

12. Incorporations by reference and their location in the rules:

Not applicable

13. The full text of the rules follows:

TITLE 17. TRANSPORTATION

**CHAPTER 1. DEPARTMENT OF TRANSPORTATION
ADMINISTRATIVE SERVICES DIVISION**

ARTICLE 3. TAXES

Section

R17-1-302. ~~Defining one-way haul for purposed of A.R.S. § 28-1599.13~~ Repealed
R17-1-307. ~~Motor vehicle distributor records~~ Repealed
R17-1-310. ~~Motor vehicle fuel distributor report forms~~ Repealed
R17-1-311. ~~Motor vehicle fuel—reports from non-distributors~~ Repealed
R17-1-312. ~~Motor vehicle fuel tax on miscellaneous petroleum products~~ Repealed
R17-1-313. ~~Motor vehicle fuel tax application to specialty products~~ Repealed
R17-1-314. ~~Motor vehicle fuel—form numbering system~~ Repealed
R17-1-315. ~~Motor vehicle fuel—interstate shipments~~ Repealed

Arizona Administrative Register
Notices of Summary Rulemaking

- R17-1-320. ~~Motor vehicle fuel—tax exempt to U.S. military forces~~ Repealed
R17-1-321. ~~Motor vehicle fuel—relief agencies~~ Repealed
R17-1-331. ~~General requirements; invoice preparation; specific invoice information required~~ Repealed
R17-1-332. ~~Vendor self-consumption of use fuel in use class and light class vehicles~~ Repealed
R17-1-334. ~~Retention of voided invoices~~ Repealed
R17-1-335. ~~Licensing~~ Repealed
R17-1-336. ~~Return and payment of tax~~ Repealed
R17-1-337. ~~Use fuel and motor carrier bonding process~~ Repealed

ARTICLE 3. TAXES

R17-1-302. ~~Defining one-way haul for purposes of A.R.S. § 28-1599.13~~ Repealed

For purposes of A.R.S. § 28-1599.13, “one-way haul” means the transportation of cargo by a motor vehicle in one of the sequences shown in the diagrams set forth below:

	Point of Origin				Point of Destination				Second Point Origin		
Example 1.	A	————	Loaded	→	B						
	A	←——	Unloaded	————	B						
Example 2.	A	————	Unloaded	→	B						
	A	←——	Loaded	————	B						
Example 3.	A	————	Loaded	→	B	————	Unloaded	→	C		
	A	←——	Unloaded	————	B	←——	Loaded	————	C		
Example 4.	A	————	Unloaded	→	B	————	Loaded	→	C		
	A	←——	Loaded	————	B	←——	Unloaded	————	C		

Each example indicates a round trip, without intermediate additions of cargo to the load or intermediate deliveries of cargo from the load except at the point of origin, point of destination, and the second point of origin.

R17-1-307. ~~Motor vehicle fuel distributor records~~ Repealed

- A.** That pursuant to the provisions of Section 1673, Revised Statutes of Arizona, 1928, every distributor shall keep a record of motor vehicle fuel produced or compounded, sold, delivered, exported or otherwise dealt in or with by said distributor, which shall show:
1. ~~Number of gallons produced or compounded by distributor and dispensed or used from all agencies or sources other than distributor's own service stations, including fuel acquired from others, purchased, used or distributed, and the number of gallons of imported fuel sold in original package or container or other than in original package or container, including fuel sold in other states for export to Arizona, showing name and address of purchaser and number of gallons purchased.~~
 2. ~~Number of gallons of return sales or recoveries account of sales previously reported. In such case the original sales voucher or tag must be taken up and kept on file for inspection.~~
 3. ~~Number of gallons brought into Arizona by distributor and sold wholesale ex-tax in unbroken original package or container, showing name and address and number of gallons delivered ex-tax, in each case.~~
 4. ~~Number of gallons exported by distributor. Under this heading there shall be shown the date, place of delivery or sale, and name of person to whom sale or delivery was made, for each individual sale or delivery.~~
 5. ~~Number of gallons sold to United States Government, (not including gallonage shown under item (7)).~~
 6. ~~Number of gallons delivered to own service stations.~~
 7. ~~Number of gallons delivered from service station to United States Government and included in item (6).~~
 8. ~~The county in which sale or delivery is completed.~~
- B.** That on or before the 15th day of each month, every distributor shall make up and file with the Superintendent of Division of Motor Vehicles, at his office in the Highway Building, in the City of Phoenix, county of Maricopa, state of Arizona, verified statement showing for the immediately preceding calendar month all data required to be kept upon said record, which statement shall be upon forms prepared and furnished by the Division of Motor Vehicles and designated as Form No. 70-3308.

R17-1-310. ~~Motor vehicle fuel distributor report forms~~ Repealed

To all distributors of Motor Vehicle Fuels: Under authority of Section 1673e RC 1928, as amended by Chapter 16, L.31, 1st S.S., and Chapter 70, L.35, R.S.,

1. ~~Form 70-3308~~
2. ~~Form 70-3309~~
3. ~~Form 70-3310~~
4. ~~Form 70-3314~~

Arizona Administrative Register
Notices of Summary Rulemaking

5. Form 70-3311
6. Form 70-3312
7. Form 70-3313
8. Form MVF-US-433

are hereby prescribed as the forms to be used by distributors in making reports to the vehicle superintendent required in the above mentioned section of the laws of this state. Instructions appearing on reverse side of Form 70-3308 shall be fully complied with beginning with reports for the month of July 1935. Distributors shall take an actual physical inventory at the close of business in June 1935 as provided in instructions.

R17-1-311. ~~Motor vehicle fuel—reports from non-distributors~~ Repealed

Pursuant to provisions of Senate Bill 157, Chapter 70, Twelfth Legislature, Regular Session, Laws of Arizona, amending Sections 1673e "Reports of Distributors", 1674e "Reports from Persons not Distributors", and 1675 "Reports from Carriers", requiring immediate reports to the Vehicle Superintendent on forms prescribed by him, of shipments of motor vehicle fuel from a point without the state to a point within this state:

1. Forms MVF 70-3307 and MVF 438 (Import Report) are hereby prescribed by the Vehicle Superintendent for use in making required reports.
2. On and after July 1st, 1935, these forms shall be used in reporting each and every such shipment irrespective of quantity or method of transportation.
3. Prior to July 1st, 1935, each Distributor shall supply the above mentioned forms through the Motor Vehicle Division to refiners and other consignors whom he authorizes to consign motor vehicle fuel into Arizona, and thereafter each Distributor shall, through the Motor Vehicle Division, maintain adequate supplies of the above mentioned forms in the hands of such refiners and other consignors. Each distributor shall require compliance on and after July 1st, 1935, by such refiners and other consignors with instructions set forth on page 1 of these forms, and each Distributor shall identify each imported acquisition on his tax return by the consecutive number of the "Import Report" and each sales invoice or stock transfer, connected with a direct import shipment, shall bear the consecutive number of the "Import Report".
4. On and after July 1st, 1935, each motor carrier transporting such motor vehicle fuel to any one point within this state shall comply with instructions on page 2 of form 70-3307, but if shipment is delivered at more than one point in this state he shall comply with instructions on page 3A, form 70-3307.
5. On and after July 1st, 1935, each person who receives such shipment shall comply with instructions on page 3 of form MVF 70-3307, or if he received only part of such shipment he shall comply with instructions on form MVF 70-3307.

R17-1-312. ~~Motor vehicle fuel tax on miscellaneous petroleum products~~ Repealed

A. Certain liquid petroleum products generally known as specialty products but specifically known by the trade names, viz:

Light solvent	TS16 solvent
Rubber solvent	Rubber solvent "A" TS13
Thinner 300	TS11 solvent
Thinner 200	Lacquer diluent "B" TS3
Thinner 410	Lacquer diluent "A" TS2
Stoddard Solvent	Solvent TS1
Paint Thinner 350	Insecticide Base Oil
Mineral spirits	Kleanize
Cleaners naphtha	Salvasal cleaner
Petroleum ether	Thinner No. 7
Eocene	(Paint Thinner) Mineral Spirits
TS28 solvent	Union benzine
Paint base spirits TS27	Cleaning solvent
P & V thinner TS27	Cleaning naphtha

have been taxed on acquisition in this state, unless imported in sealed containers not to exceed one gallon in capacity.

- B.** Taxation of these products and refund of taxes on proof of non-use in motor vehicles has caused confusion and may possibly result in the refund of the tax on a considerable gallonage on which the tax has not been collected.
- C.** The amount of tax collected is probably exceeded by the cost of collection and refund.
- D.** After test in the State Highway Department Laboratory and after consideration of the wholesale and retail prices at which these products are sold it was decided that the use of same as motor vehicle fuels would not be feasible except by blending.

Arizona Administrative Register
Notices of Summary Rulemaking

- ~~E.~~ The division will still require reports on acquisition by import of these products and will note any abnormal increase in acquisitions.
- ~~F.~~ The Attorney General holds that the tax may be legally waived on these products.
- ~~G.~~ Effective on and after July 1, 1939, until further notice:
1. The five-cent-per-gallon license tax on the above-listed products will be exempted.
 2. Such products shall be sold less five-cents-per-gallon license tax.
 3. Each distributor and reseller having a supply of these products on hand shall submit a sworn inventory of the same as of June 30, 1939, to the vehicle superintendent.
 4. A refund of the license taxes paid on such inventory will be made on proof of quantities and tax payment satisfactory to the vehicle superintendent.
 5. Acquisitions by import of such products shall continue to be made on regular MVD form 70-3307, the same as provided for Motor Vehicle Fuel Imports.

R17-1-313. Motor vehicle fuel tax application to specialty products Repealed

Specialty Products (the base of which is a motor vehicle fuel) compounded or blended IN ANOTHER STATE with some other product or substance other than motor vehicle fuel and not intended for use in a motor vehicle, shall not be considered as taxable under the provisions providing for a tax on motor vehicle fuels upon importation into this state, and sales of such Specialty Products shall be made without the collection of such tax.

1. Distributors importing such Specialty Products shall report such importations on Form 70-3307 "Motor Vehicle Fuel Import to Arizona".
2. Distributors shall immediately file with this Division a list of such Specialty Products compounded or blended by such distributors.
3. No refund will be made to any claimant for refund of motor vehicle fuel tax on invoices for such Specialty Products dated after the effective date of this Order.
4. Distributors will be held strictly accountable for the motor vehicle fuel tax on any sales made by such distributors for use of such Specialty Products in a motor vehicle.

R17-1-314. Motor vehicle fuel—form numbering system Repealed

Order assigning new numbers to forms referred to in previously filed general orders

1. The Superintendent of Motor Vehicles has under the provisions of A.R.S., Title 41, Chapter 6, filed in the Office of the Secretary of State, General Orders Nos. 24, 25, 36, 39, 43, 54, and 61, wherein is prescribed the use of certain forms, which forms are referred to in the orders by a form number, and
2. The Department of Transportation for administrative purpose finds it desirable to adopt a new numbering system for all forms prescribed by the Superintendent.
3. That at such time as the present supply of forms is exhausted, a new form number as prescribed below will be used to identify the forms referred to in the above-numbered orders.

	Form as specified
New Form Number assigned to in orders above	Form Number at immediate left
MVF 425	AHD 70-3307
MVF 438	AHD 70-3315
MVF 1-426	AHD 70-3308
MVF 2-427	AHD 70-3309
MVF 3-428	AHD 70-3310
MVF 5-430	AHD 70-3311
MVF 6-431	AHD 70-3312
MVF 7-432	AHD 70-3313
MVF US-433	AHD 70-3314
577	AHD 70-3304

R17-1-315. Motor vehicle fuel—interstate shipments Repealed

Rules and procedures applicable when a distributor acquires motor vehicle fuel outside the state and transports same in his own equipment through the state to a destination outside the state.

1. A.R.S. § 28-1519 provides, "motor vehicle fuel moving in interstate or foreign commerce, not destined or diverted to a point within this . . . , shall not be subject to the payment of license taxes required by this Article".
2. Some distributors as private carriers transport in one continuous trip their own motor vehicle fuel in their own equipment from a point without the state, through the state to a point without the state, which motor vehicle fuel being transported is not subject to the license tax because of the provisions of A.R.S. § 28-1519.

Arizona Administrative Register
Notices of Summary Rulemaking

3. A.R.S. § 28-1503 provides that every distributor shall file with the superintendent on forms prescribed and furnished by the superintendent a true and verified statement showing the total number of gallons of motor vehicle fuel acquired during the preceding calendar month and other and further data or information the superintendent requires.
4. The following rules and procedures will govern when a distributor acquires motor vehicle fuel outside the state and transports the same through the state for delivery to a point outside the state:
 - a. Motor Vehicle Division Form 70-3307 will be executed and handled in the same manner as is required in connection with motor vehicle fuel imported into the state. The point of destination to be shown on the form will be the place outside the state where the fuel is to be delivered.
 - b. When the vehicle transporting motor vehicle fuel leaves the state through a motor vehicle checking station located at not more than 400 yards from the state line, the carrier will surrender Page 3 of Form 70-3307 (Consignee Report) to the officer on duty at the checking station. The officer will make proper notation on the form indicating that the shipment covered by the form was transported to a point outside the state and then forward same to the office of the Motor Vehicle Division.
 - c. When a motor vehicle transporting motor vehicle fuel leaves the state at a point other than that referred to in paragraph (b) above for a destination in another state, the distributor will attach to Page 3 of Form 70-3307 satisfactory proof that the motor vehicle fuel was transported out of the state.
 - d. When a motor vehicle transporting motor vehicle fuel leaves the state for a destination in Mexico at a point other than that referred to in paragraph (b) above, the distributor will attach to Page 3 of Form 70-3307 a Proof of Export Form certified by the Collector of Customs or, in lieu thereof, may have the Collector of Customs indicate on said Page 3 of Form 70-3307 that the motor vehicle fuel was exported into Mexico.
 - e. As a part of the regular monthly report, the distributor will submit on a separate sheet of Schedule 3 (Form MVF 3-428) the required information concerning all Forms 70-3307 covering shipments of a type dealt with in this order. It should be indicated on this particular Schedule 3 that the motor vehicle fuel is exempt from the Arizona license tax because of the provisions of A.R.S. § 28-1519. The distributor shall not include the gallons on this particular Schedule 3 in the total gallonage shown on line 3 of Schedule 1 (Form 70-3308) of the monthly report.

R17-1-320. Motor vehicle fuel — tax exempt to U.S. military forces Repealed

- A.** Section 1. Section 66-318, Arizona Code of 1939, is amended to read: Section 66-318. LICENSE TAX EXEMPTIONS. Motor vehicle fuel in interstate or foreign commerce, not destined or diverted to a point within this state or motor vehicle fuel sold to the United States Armed Forces for use in ships or aircraft, or for use outside this state shall not be subject to the payment of license taxes required in this Article.
1. The above law became effective 26 June 1952.
 2. Under the provisions of the above law, as amended, no exemption of motor vehicle fuel tax will be allowed on purchases by the United States except as stated in the law.
- B.** Effective 26 June 1952, claims for exemption of tax by reason of sale to the Armed Forces of the United States for the purposes specified will be supported by certificates of the purchasing agency that the motor vehicle fuel is purchased by the United States Armed Forces for the purposes covered in the above law. U.S. Standard Forms 1094 (U.S. Government Tax Exemption Certificate) will not be acceptable.
1. The certificate may be in the following form:

ARIZONA MOTOR VEHICLE FUEL GAS EXEMPTION ON SALES TO THE UNITED STATES ARMED FORCES

City or Station:

Date:

I certify that the motor vehicle fuel described below is purchased for the exclusive use of the United States (designation of Armed Force) for use (in ships, aircraft, outside Arizona). It is understood and agreed that if the motor vehicle fuel purchased under this exemption certificate at prices exclusive of the Arizona motor vehicle fuel tax is used otherwise than as designated above, or is resold to employees or others, the Arizona motor vehicle fuel tax on such gallonage diverted from designated use will be transmitted to the Arizona Division of Motor Vehicles under the provisions of Section 10 of the Act of 16 June 1936 (Pub law No. 686, 74th Congress) as amended.

THIS CERTIFICATE COVERS

Brand _____
Acquired from (Name of vendor) _____
as evidenced by Arizona form _____
AHD 70-3307 (old Form 425) _____
Contract No. _____
Serial No. of aircraft _____

Gallons _____

Signature

Title and Rank of Officer

2. The above form may be reproduced locally or copies will be furnished by this Division upon request.

Arizona Administrative Register
Notices of Summary Rulemaking

- ~~C.~~ Common or contract motor carriers transporting motor vehicle fuel for the Armed Forces of the United States into Arizona (purchased by the United States Armed Forces F.O.B. out of state) must carry copy of the U.S. Government bill of lading, as well as Arizona Form AHD 70-3307 (old Form 425) showing the following:
1. Name of Armed Service to which delivery is being made;
 2. Number of U.S. Government bill of lading covering the shipment.

R17-1-321. ~~Motor vehicle fuel—relief agencies~~ Repealed

- ~~A.~~ Federal Emergency Relief Administration grants become state monies as soon as they are receipted for by the Governor.
- ~~B.~~ The following relief agencies and organizations are not exempt from the payment of the Arizona Motor Vehicle Fuel Tax:
1. Public Relief Agencies created by the legislature of this state, such as state and County Boards of Public Welfare;
 2. Federal Emergency Relief Administration of Arizona;
 3. All other relief agencies or organizations depending upon allotments of funds from the Federal Emergency Relief Administration.
- ~~C.~~ All distributors are directed to observe the provisions of this order.

R17-1-331. ~~General requirements; invoice preparation; specific invoice information required~~ Repealed

- ~~A.~~ Except as otherwise provided in subsection (B) of this rule, all vendors shall, upon each sale or transfer of use fuel in any manner, record on the invoice required by A.A.C. R17-1-330 the date of sale and the number of gallons sold and mark the applicable spaces in the information block.
- ~~B.~~ Sales of use fuel delivered into the fuel tank(s) of light class motor vehicles, as defined in A.R.S. § 28-1551(7), need not be recorded upon such an invoice unless specifically requested by the purchaser, subject to the provisions of R17-1-334(B).
- ~~C.~~ In addition to the requirements of subsection (A) of this rule,
1. If the use fuel is delivered into the fuel tank of a use class motor vehicle, as defined in A.R.S. § 28-1551(13), and the use fuel tax is collected by the vendor, the vendor shall include on the invoice the name of the purchaser and Arizona use fuel tax account number as reflected on the purchaser's valid Arizona use fuel cab card as defined in A.R.S. § 28-1558. If, however, a use fuel tax account number is not presented when placing use fuel into a use class vehicle, then the license plate number and state of registration of the vehicle into which the fuel was delivered must be recorded by the vendor on the invoice, and, if available, the name of the purchaser or the name of any operating entity as may be displayed on the exterior of the vehicle.
 2. If the use fuel is delivered into the fuel tank of a use class motor vehicle, and the use fuel tax is not collected by the vendor, then the invoice must reflect the name and use fuel tax account number of the purchaser as reflected on the purchaser's use fuel cab card. If the name and account number of the purchaser as reflected on the use fuel cab card is not recorded on the invoice, then the vendor will be presumed liable for the use fuel tax relating to that sale; or, if in the event the use fuel was sold without the fuel tax being collected on the basis of a use fuel single trip permit pursuant to A.R.S. §§ 28-1555(B) and 28-1559(B), the pink copy of that use fuel single trip permit must be attached to the vendor's file copy of the invoice. In addition to the requirements of R17-1-330, the invoice must be cross-referenced to the single trip permit by indicating the permit number instead of, and in place of the use fuel tax license number, in that area of the invoice reserved for the purchaser's use fuel tax license number, or the vendor will be presumed liable for the use fuel tax relating to that sale.
 3. If the use fuel is sold and delivered into any receptacle other than a vehicle fuel tank, the use fuel tax is not to be collected by the vendor; however, the approved invoice must reflect the purchaser's name and use fuel tax account number if applicable, and the type of receptacle into which the fuel was sold or delivered must be reflected in section "C" of the "Arizona Use Fuel Tax Information Block" on the invoice, or the vendor will be presumed liable for the use fuel tax relating to that sale.

R17-1-332. ~~Vendor self consumption of use fuel in use class and light class vehicles~~ Repealed

- ~~A.~~ When a vendor delivers use fuel into a use class motor vehicle for which the vendor holds a valid use fuel cab card, an invoice must be completed as a tax collected sale.
- ~~B.~~ A vendor who owns or operates a light class motor vehicle must transfer title to any use fuel intended to be placed into such light class motor vehicle to the restricted vendor's entity, as defined in A.R.S. § 28-1551(10), prior to such placement, and recording the transfer on the invoice provided in A.A.C. R17-1-330 as a bulk withdrawal sold to the restricted vendor's entity.

R17-1-334. ~~Retention of voided invoices~~ Repealed

If an invoice is voided because of an error in recording the required information, the vendor shall retain the original and all copies of the voided invoice for audit purposes for not less than three years following the date of the voided invoice, or until an audit has been made encompassing the voided invoice, whichever comes first.

R17-1-335. ~~Licensing~~ Repealed

- ~~A.~~ A carrier operating a motor vehicle that is a tractor, a road tractor, a truck tractor, a truck having more than two axles, or a passenger carrying vehicle designed to seat more than 20 occupants that is powered by use fuel and is registering in this

Arizona Administrative Register
Notices of Summary Rulemaking

state or accorded proportional registration or registration reciprocity with this state for the motor vehicles must, except as provided in subsection (C), obtain a use fuel tax license and cab card prior to operating on Arizona public highways.

- B.** ~~A carrier operating motor vehicles in excess of 26,000 pounds declared gross vehicle weight and registering in this state or accorded proportional registration or registration reciprocity with this state for the motor vehicles and who are also subject to the weight fee under A.R.S. § 28-206 must, except as provided in subsection (C), obtain a motor carrier tax license and cab card prior to operating on Arizona public highways.~~
- C.** ~~Any carrier or person who operates a motor vehicle and obtains a non-resident single trip permit under A.R.S. § 28-501.01, or a 30-, 60- or 90-day permit pursuant to A.R.S. § 28-501(B) may purchase a use fuel and/or motor carrier tax trip permit for each trip in this state instead of licensing with the Director.~~
- D.** ~~Application for each use fuel and/or motor carrier license shall be made to the Department in writing upon forms prescribed and furnished by the Department, incorporated herein by reference and on file in the Office of the Secretary of State. All information required on the application shall be completed and shall be submitted with a \$10.00 non-refundable filing fee for each use fuel and/or motor carrier license to the Arizona Department of Transportation, Motor Vehicle Division, P.O. Box 2100, Mail Drop 234M, Phoenix, Arizona 85001.~~
- E.** ~~The Department shall issue a cab card to qualified licensed carriers. The cab card shall be applied for on the forms prescribed by the Department and shall be valid, unless canceled or revoked, for three calendar years. The cab card application form is incorporated herein by reference and on file in the Office of the Secretary of State. Any cab card issued after January 1 shall expire on December 31 of the expiration year. The enforcement date shall be established by the Director.~~

R17-1-336. Return and payment of tax Repealed

- A.** ~~Reporting period definitions. The carrier reporting period shall be related to the amount of the Use Fuel and/or Motor Carrier Tax liability and the compliance record of the licensee. Any licensee whose average monthly tax liability for Use Fuel or Motor Carrier Tax, computed over a twelve-month period, exceeds the filing limits of the licensee's current filing status shall be required to change its reporting period based on the new average monthly tax liability. Such change in the reporting period shall coincide with the beginning of a new reporting period. The carrier shall have the same reporting period for each tax. The report shall be made to the Department upon the forms prescribed and furnished by the Department, incorporated herein by reference, and on file in the Office of the Secretary of State. The reporting periods are:~~

- ~~1. Monthly—for a calendar month.~~
- ~~2. Quarterly—for calendar quarters beginning January 1st, April 1st, July 1st and October 1st.~~
- ~~3. Semi-annually—for six (6) calendar months beginning January 1st, and July 1st.~~
- ~~4. Annually—for twelve (12) calendar months beginning January 1st.~~

- B.** ~~Reporting period limits. The reporting period's tax liability limits for each tax are:~~

- ~~1. To file monthly, an account must have \$1,000 or more average monthly tax liability.~~
- ~~2. To file quarterly, an account must have at least \$200 but less than \$1,000 average monthly tax liability.~~
- ~~3. To file semi-annually, an account must have less than \$200 average monthly tax liability.~~
- ~~4. To file annually, an account must have less than \$10.00 average monthly tax liability.~~
- ~~5. The reporting period shall be based on the tax account with the highest average monthly tax liability.~~

~~Any licensee wishing to file on other than the reporting limits established by this subsection must first make an application in writing to the Director. If such licensee has complied with all applicable provisions of the Use Fuel and/or Motor Carrier Tax Act for the six months immediately preceding the application and shows good cause, then such licensee shall be allowed to file under the requested filing period.~~

- C.** ~~Failure to comply:~~

- ~~1. If a licensee filing on other than a monthly basis fails to comply with the reporting requirements, the requirements for payment of tax, interest, penalty or other fees, or other requirements established under the Use Fuel and/or Motor Carrier Tax laws, without reasonable cause, such licensee may be required by the Director to file on a monthly basis. The Director shall notify the licensee of any such change in the filing requirements.~~
- ~~2. Any licensee that has complied with all provisions of the Use Fuel and/or Motor Carrier Tax laws for a period of six (6) months after such licensee was required to file monthly, may make application to be allowed to file on other than a monthly basis.~~

- D.** ~~Failure to receive report form. If the licensee fails to receive an authorized report form, he must make a written report to the Department stating all information required on the prescribed form. The carrier shall file the report, together with a remittance payable to the Motor Vehicle Division for the amount of tax, penalty, interest or other fees due, on or before the due date of the return. The remittance and tax information will be accepted instead of a report on the prescribed form.~~

R17-1-337. Use fuel and motor carrier bonding process Repealed

- A.** ~~Bond amount calculation:~~

- ~~1. The amount of bond required by the Department for each tax shall be calculated by determining the average monthly tax liability for the established reporting period and multiplying that average monthly tax liability by the following factor:~~

- ~~3 times the average monthly tax liability for monthly reporting.~~
- ~~5 times the average monthly tax liability for quarterly reporting.~~

Arizona Administrative Register
Notices of Summary Rulemaking

~~8 times the average monthly tax liability for semi-annual reporting.~~

~~14 times the average monthly tax liability for annual reporting.~~

~~The surety bond will be rounded to the nearest thousand dollars.~~

~~EXAMPLE: An average monthly tax liability computed for twelve months is \$575. The average tax liability (\$575) is multiplied times 5 (for the quarterly factor) equaling \$2,875. The bond amount required would be \$3,000 (2,875 rounded to nearest thousand).~~

~~The minimum bond amount for each tax shall be \$500. If the bond amount as computed under subsection (A), paragraph (1) of this Section is less than \$500, the bond amount required shall be \$500.~~

~~2. A carrier must provide continuous bond coverage for the period upon which an account may be subject to audit. Should a bond lapse, cash in an amount equal to the lapsed bond must be deposited with the Director until a new surety bond is issued to cover the lapsed period or until the period without bond has been audited or is no longer subject to audit.~~

~~**B.** Exceptions. The bond amount may be increased or decreased as necessary based upon the carrier's preceding report period, the reporting compliance record, or the payment history of the account. The Department will establish the new bond amount and notify the account in writing.~~

~~**C.** Average monthly tax liability. For the purposes of this Section, the average monthly tax liability of a licensee shall equal the tax due for a reporting period divided by the number of months in the report period.~~

~~EXAMPLE: \$1,575 tax due in a quarter divided by 3 months equals \$525 average monthly tax liability.~~